

Introduced by Senator Berryhill

February 21, 2014

An act to amend Section 19906 of the Business and Professions Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

SB 1361, as introduced, Berryhill. Gambling control.

The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission, and defines a gambling enterprise for these purposes. Existing law requires a contract for the sale of a gambling enterprise to state whether any outstanding gaming chips from the seller will be honored by the purchaser. Prior to any action of the commission on the proposed contract for sale of the gambling enterprise, existing law requires the Department of Justice to determine the amount of the seller's outstanding gaming chip liability, and requires the seller to satisfy the commission that the amount of liability is safeguarded by a form of security sufficient to satisfy the redemption of outstanding gaming chips.

This bill would make technical, nonsubstantive changes to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19906 of the Business and Professions
- 2 Code is amended to read:

1 19906. (a) A contract for the sale of a gambling enterprise
2 shall state whether any outstanding gaming chips from the seller
3 will be honored by the purchaser. If the contract does not require
4 the purchaser to honor the outstanding gaming chips used by the
5 seller, then the contract shall indicate what provisions have been
6 made for the redemption of *any* outstanding gaming chips as of
7 the closing date of the sale.

8 (b) Prior to any action of the commission on the proposed
9 contract for sale of the gambling enterprise, the department shall
10 determine the amount of the seller's outstanding gaming chip
11 liability. The seller shall satisfy the commission that the amount
12 of liability is safeguarded by a surety bond, escrow account, or
13 other form of security sufficient to guarantee the availability of
14 funds for the redemption of *any* outstanding gaming chips. The
15 seller shall give notice to the patrons of the gambling enterprise
16 in order to provide an adequate opportunity for redemption of any
17 outstanding gaming chips.